


GERRY WEBER

INTERNATIONAL AG



Strategy and Financials
Commerzbank Sector Conference
30 August 2018

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- (1) Business Model 3
 - (2) H1 Current Fiscal 2017/18 7
 - (3) Outlook / Performance Program 16
 - (4) Annex 22

Business

Global German fashion and lifestyle company with five strong brand families and their sublabels:

- **GERRY WEBER** (including GERRY WEBER COLLECTION, GERRY WEBER EDITION, GERRY WEBER casual)
- **TAIFUN**
- **SAMOON**
- **HALLHUBER** (HALLHUBER and HALLHUBER DONNA)
- **talkabout**

Retail Segment

- 835 company-managed sales spaces, thereof 302 outside Germany
- 4 online stores ensure availability in 9 countries (April 2018)

Wholesale Segment

- 282 franchised Houses of GERRY WEBER and approx. 2,500 Shop-in-Shops all over the world (April 2018)

HALLHUBER Segment

- 415 fully-controlled Retail POS
- 6 own online shops
- 15 third-party e-commerce platforms (April 2018)

Financials

2016/17

- Revenues: EUR 880.9 million
- EBIT: EUR 10.3 million
- Net income: EUR -0.8 million
- EPS: EUR -0.02/share

Vorstand



Ralf Weber (CEO)

Johannes Ehling (CSO/CDO)

BRAND UNIVERSE AND SALES CONTRIBUTION

GERRY WEBER



Feminin fashion for modern woman

- High standards of quality and fit
- Strong focus on matched outfits and details
- **Likeable – sophisticated - feminine**

GERRY WEBER*: 53%

TAIFUN



Young modern women's fashion

- Trendy and stylish silhouettes, slim cuts – casual and business
- Targeting younger women starting at their mid thirties
- **Contemporary – dressy – urban**

TAIFUN*: 16%

SAMOON



Plus size collection

- Femininity underlined by trendy cuts, high-quality materials & excellent fits
- Perfect interpretations of current trends put curves in a favourable light
- **Confident – contemporary – positive**

SAMOON*: 5%

talk about



Vertical brand for selected Wholesale partners

- Pure elegance: individual, easy and feminine style
- Encourages target group to focus on communication and to an individual fashion statement
- **“Life is what happens every day, not the special occasions”**

Talkabout*: 1%

HALLHUBER



Young, sophisticated and urbane fashion

- Urbane, timeless style with a fashion twist
- Fully vertical brand
- Target group: fashion conscious women between 25 and 45
- High quality materials

HALLHUBER*: 25%

GERRY WEBER

RETAIL

Company-managed Retail Stores

GERRY WEBER Stores

Monolabel Stores

Factory Outlets

Concession Stores

Shop-in-Shop systems managed by GERRY WEBER

E-commerce/ Online Shops

Online Shop: nationally or internationally integrated shops for all three GW Core brands

WHOLESALE

Franchise

GERRY WEBER Stores managed by our franchise partners

Shop-in-Shops

Branded Shop-in-Shops which are managed by our Wholesale partners

Partnership Programs*

Multilabel Stores

Several labels are presented simultaneously without separate branding

HALLHUBER


Monolabel Stores and Concession Stores

HALLHUBER stand alone stores and concession spaces

E-commerce Online shops

HALLHUBER managed online shops as well as external distribution platforms

*Different programs characterizing the type of business relationship to our wholesale partners

- 
- A woman with long brown hair, wearing a striped top and blue jeans, is sitting on a light-colored sofa. She is smiling and looking down at a fluffy, light-brown dog sitting on her lap. To her left is a large green cactus. The background shows a window with a view of a building and a framed picture on the wall.
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GERRY WEBER Core

(GERRY WEBER, TAIFUN, SAMOON, talkabout)

HALLHUBER



Decrease in revenues to **EUR 300.4 million**
(H1 2016/17: -10.3%)

Sales increase to **EUR 104.3 million**
(H1 2016/17: +12.2%)



Increase in gross margin to 59.1%
(H1 2016/17: 58.2%)

Gross margin of 61.5%
(H1 2016/17: 63.3%)



EBITDA = EUR 19.8 million
(H1 2016/17: EUR 24.8 million)

EBITDA = EUR 5.8 million
(H1 2016/17: EUR 4.2 million)



835 company-managed sales spaces
(H1 2016/17: 886)

415 company-managed sales spaces
(H1 2016/17: 376)



Like-for-like Retail sales: -9.1%

Like-for-like Retail sales: +8.0%

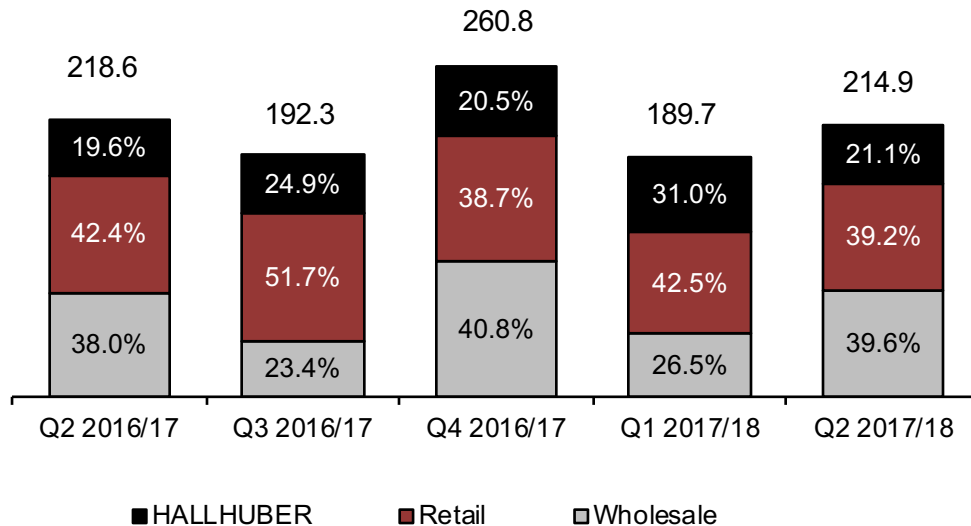
(Market development in Germany acc. to Textilwirtschaft: +2 % / -2 % / +3 % / -4% / -6% / +7%
from Nov. 2017 to April 2018)

H1 2017/18: GROUP SALES

➔ **Group sales** totaled **EUR 404.7 million** (-5.4% compared to H1 2016/17)

- GERRY WEBER Core sales (excluding HALLHUBER) decreased in H1 by 10.3% due to the stores closed in the context of the FIT4GROWTH program and a drop in like-for-like Core Retail sales of -9.1%
- HALLHUBER sales saw a plus of 12.2% to EUR 104.3 million

SALES DEVELOPMENT (in EUR million)



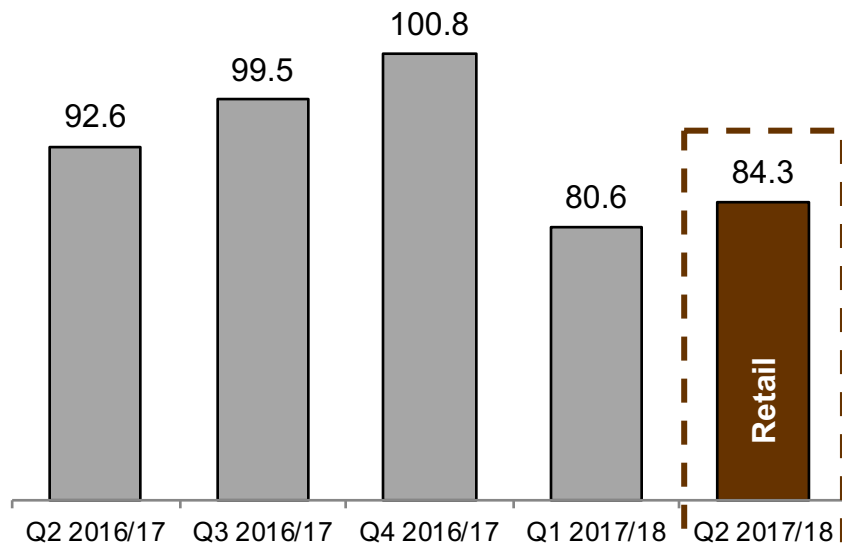
H1 2017/18 Group sales affected by:

- A considerably lower sales space in own Core Retail due to the stores closed (51 stores less compared to H1 2016/17)
- Challenging market conditions

H1 2017/18: GERRY WEBER CORE RETAIL SALES

- ➔ Core Retail revenues were **down by 14.2%** on H1 2016/17 and amounted to **EUR 165.0 million**
 - The full year effect of the stores closed in the context of to the FIT4GROWTH led to a significantly lower number of stores and consequently to lower sales compared to H1 2016/17 (-51 stores y-o-y)
- ➔ Compared to the previous year period **like-for-like sales were down 9.1 %**

RETAIL SALES PER QUARTER* (in EUR million)



Store Portfolio (including openings and closings)

	H1 2017/18	2016/17	2015/16
GERRY WEBER Stores	448	454	487
Monolabel Stores	72	79	107
Concession Stores	280	281	295
Factory Outlets	35	36	35
Total GWI Core	835	850	924

*excluding HALLHUBER

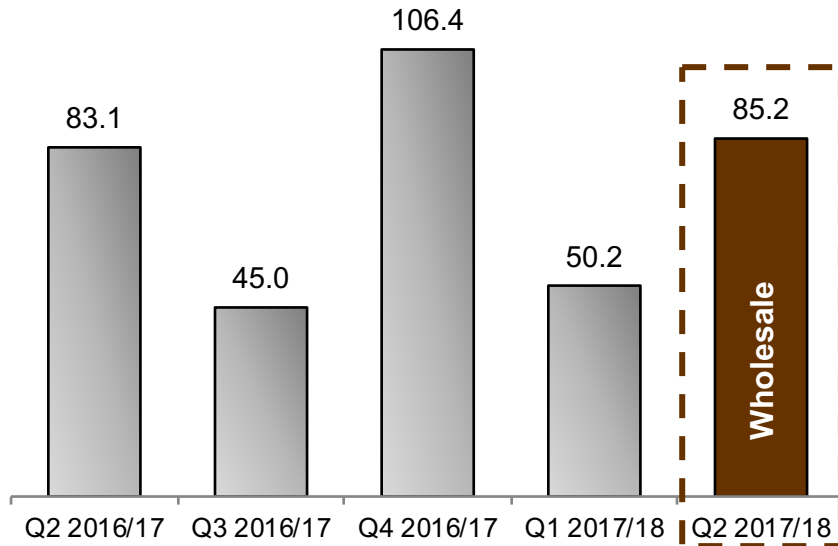
H1 2017/18: GERRY WEBER CORE WHOLESALE SALES

➔ **Decrease** in Wholesale sales of 5.0 % to EUR **135.4 million** in H1 2017/18

➔ **Reasons:**

- After strong decrease in Q1, **sales vitalized in Q2** due to expansion of Franchise POS and catch-up of postponed deliveries to partners

WHOLESALE SALES PER QUARTER* (in EUR million)



Number of Stores by Country/Region

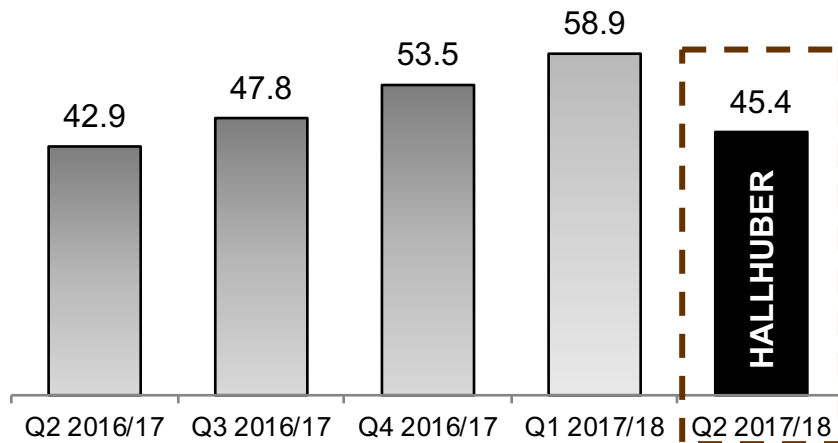
GWI Core

Germany	53
Russia	65
Middle East	36
Eastern Europe	27
France	13
BeNeLux	11
Switzerland	24
Baltic States	14
Poland	5
Austria	4
Italy	4
Others	26
Total	282

H1 2017/18: HALLHUBER SALES

- ➔ HALLHUBER sales saw a **plus of 12.2%** and amounted to **EUR 104.3 million** in H1 2017/18 which corresponds to a share of **25.8% in Group sales**
- ➔ **Main drivers were**
 - A I-f-I plus of 8.0% y-o-y while the German textile market was nearly flat
 - 39 additional sales spaces compared to H1 2016/17
 - Online sales increased by 60.4% from EUR 9.1 million in H1 2016/17 to EUR 14.6 million in H1 2017/18

HALLHUBER SALES PER QUARTER* (in EUR million)



HALLHUBER STORES BY STORE FORMAT

	H1 2017/18	2016/17
HALLHUBER Monolabel Stores	143	139
HALLHUBER Concession Stores	256	241
HALLHUBER Outlets	16	17
Total HALLHUBER	415	397

H1 2017/18: GROUP ONLINE SALES – REMAINS IN THE FOCUS

- ➔ Online sales generated by our own Core Online shops amounted to EUR 14.9 million; a plus of 9.4% on the previous year
- ➔ **HALLHUBER** Online sales amounted EUR 14.6 million, which corresponds to 14.0% of total HALLHUBER sales
- ➔ **Total online sales** account for 11.3% of total Retail sales – which includes Core Retail and HALLHUBER sales

in EUR millions	H1 2017/18	H1 2016/17	Change
Core own Online Shops = Retail	14.9	13.6	9.4%
Core external platforms = Wholesale	0.8	1.4	-42.9%
HALLHUBER	14.6	9.1	60.4%
GERRY WEBER Group	30.3	24.1	25.7%



Unsere Modeexpertin empfiehlt:

SHOP THE LOOK

Outfit Eva Herzigova Pink Passion Casual

ZUM LOOK



Hose mit Galonstreifen

Farbe: Marine



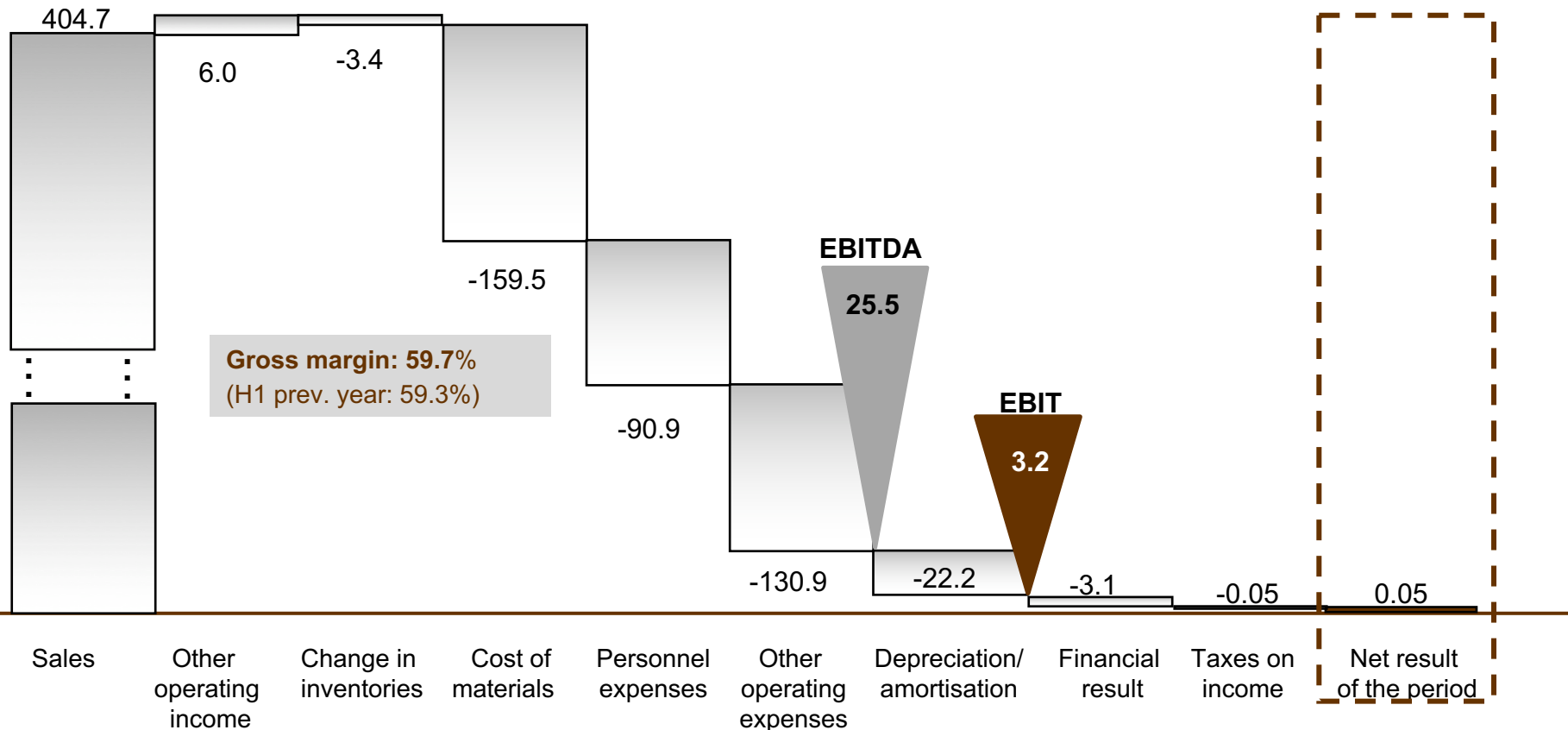
Größe wählen

36 38



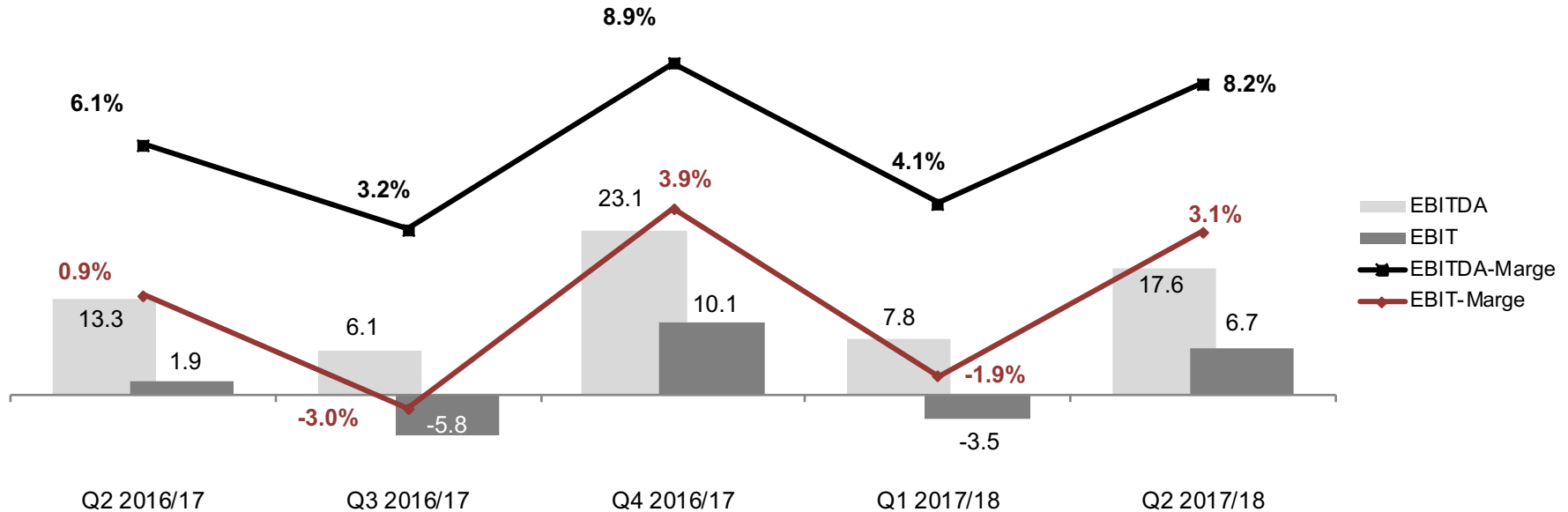
H1 2017/18: EARNINGS


in EUR million



H1 2017/18: EBITDA, EBIT AND MARGINS

- ➔ Group EBITDA decreased to EUR 25.5 million in H1 2017/18 (HALLHUBER contribution: EUR 5.8 million)
- ➔ Group EBIT decreased to EUR 3.2 million (H1 prev. year: EUR 6.0 million). HALLHUBER EBIT at EUR -1.0 million (H1 prev. year EUR -2.6 million)
- ➔ Cost saving measures of the FIT4GROWTH program taking positive effect in Q2 y-o-y comparisons



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DIGITALISATION OF THE BUSINESS MODEL

- usage and adaption of new digital innovations
- improve online business and broadening online services
- introduction of a new customer relationship management system (CRM)



**100 %
FOCUS ON
OUR CUSTOMERS**



MODERNISATION AND STRENGTHEN OF THE BRAND IDENTITY

- further trend-oriented development of the collections

FURTHER DEVELOPMENT AND OPTIMISATION OF ALL DISTRIBUTION CHANNELS

- continuous review of the store portfolio
- strengthen and verticalization the cooperation with our wholesale partners

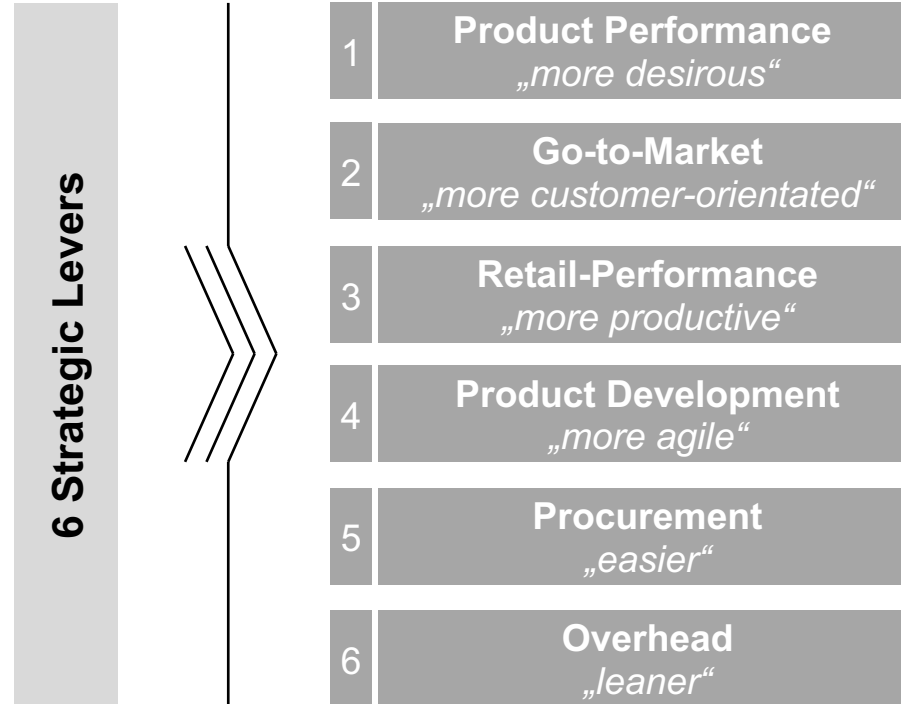
Performance program

- Initiate performance program based on the success of FIT4GROWTH
- Focus on growth and profitability
- Optimization of the fields of the value chain: procurement, product development, product range and logistic using and benefiting from new digital processes

The turnaround-program is structured in 8 subprojects and will be realized by taking 6 strategic levers



To realize the potential a significant change of the business model with 6 strategic levers is necessary



CONSISTENT PROGRAM TO UNLOCK EBIT POTENTIAL OF EUR 35 – 40 MILION WITHIN THE NEXT 3-5 YEARS

Subprojects	Actions
Retail	<ul style="list-style-type: none"> • increase of square meter productivity and decline of reductions with new Go-to-Market approach • optimization of the portfolio, POS¹ utilization, staff planning and rental costs
Digital	<ul style="list-style-type: none"> • digitalization strategy i.e. profit growth with digital processes • potentials of minor reductions and returns • revenue growth online & omni-channel
Wholesale	<ul style="list-style-type: none"> • reduction of returns with new Go-to-Market approach and order rhythm • increase of POS productivity • focus international on strategic markets
HALLHUBER	
Product Development	<ul style="list-style-type: none"> • strengthening of product performance • market orientated category-strategies and new Product Management organization • new Go-to-Market approach
Procurement	<ul style="list-style-type: none"> • expansion of strategic suppliers in full garment purchasing • reduction of CMT², pattern design, sewing
Logistics	<ul style="list-style-type: none"> • focus on logistic core processes • increase of competitiveness • alignment the leadership structure
IT	<ul style="list-style-type: none"> • implementation „IT assignment“ (IT and BI³ strategy, reorganization and integration of HALLHUBER, IT logistics • reduction of expenditure on material
Admin (HR, Finance, others)	<ul style="list-style-type: none"> • optimizing the cost structure
Total	EBIT potential of EUR 35 – 40 million by the next 3 – 5 years

- ➔ The new Performance Program and its intended measures caused a review of the outlook for current fiscal year 2017/18. The measures to be taken will lead to extraordinary charges of about EUR 15 million and to a shift in anticipated revenues due to a planned change in merchandise management. In addition, anticipated sales in GERRY WEBER Retail are slightly behind initial expectations.
- ➔ The market situation remains difficult for our business model. Hence, the Performance Program is designed to change the business model significantly.

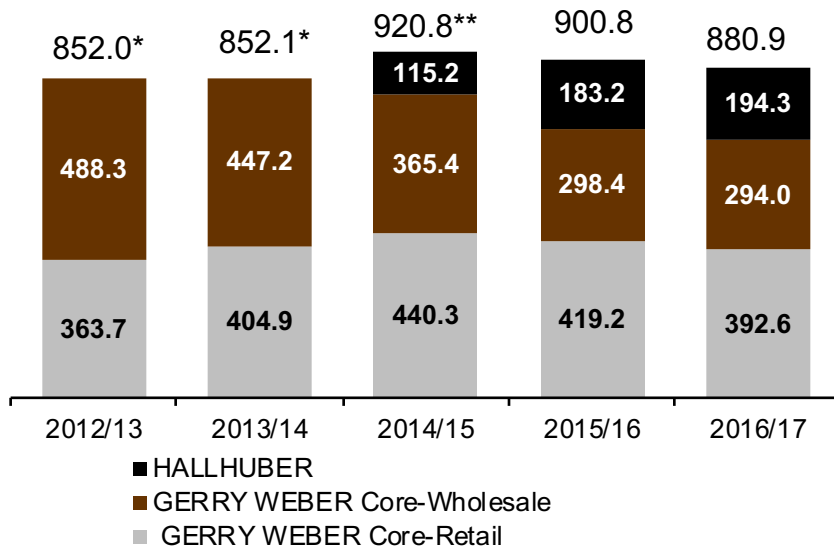
in EUR million	GERRY WEBER GROUP 2016/17	GERRY WEBER GROUP NEW GUIDANCE 2017/18
Sales	880.9	830 - 840
EBITDA	58.2	35 - 48
EBIT	10.3	- 10 - 0
CAPEX	62.3	25 - 30

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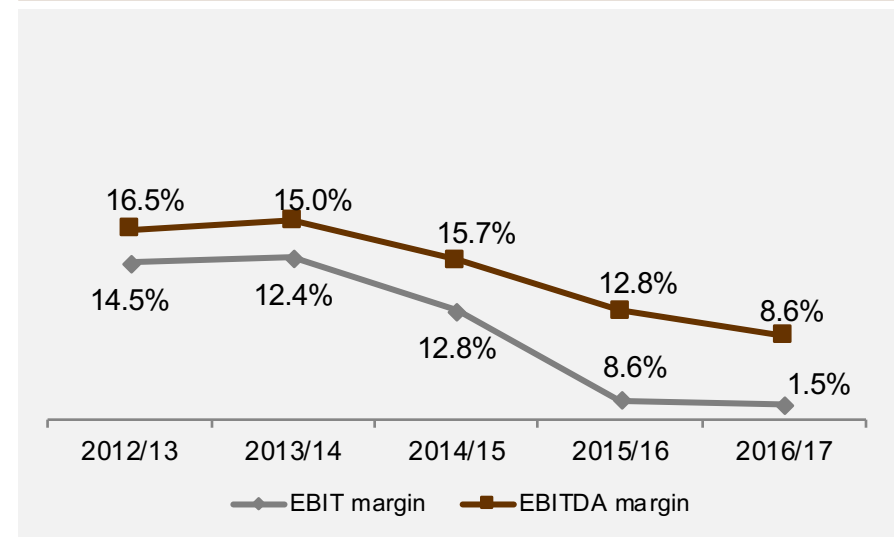
KEY FINANCIALS 2016/17: SALES AND MARGINS

- ⇒ **Group sales** were down by 2.2% on the previous year and amounted to EUR 880.9 million
- ⇒ **GERRY WEBER Core** sales (Core Retail and Core Wholesale) declined by 4.4% and contributed EUR 686.6 million to group sales
- ⇒ **HALLHUBER** sales rose by 6.1% yoy and amounted to EUR 194.3 million

SALES (in EUR million)



EBITDA- and EBIT-MARGIN in %



*without HALLHUBER **HALLHUBER 9 months consolidated

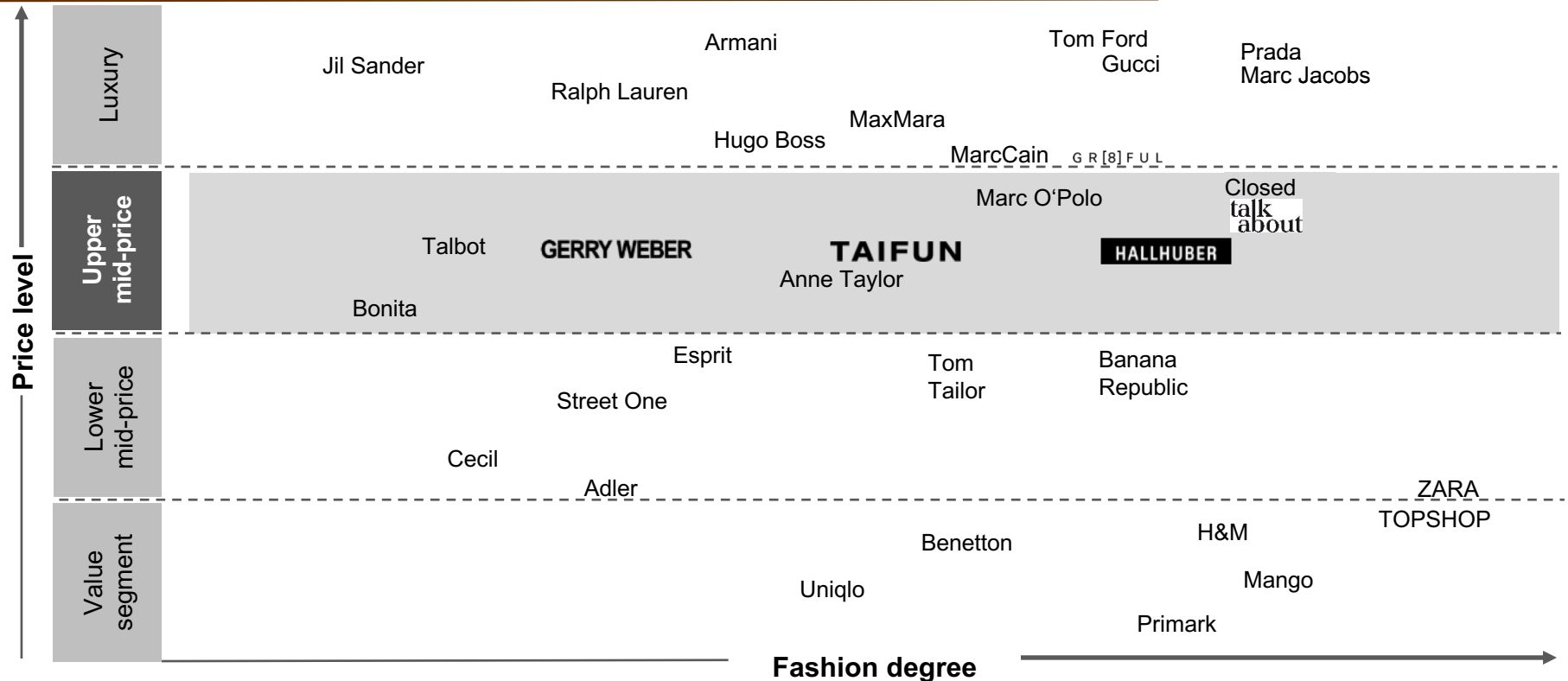
EXTRAORDINARY COSTS AFFECT PROFITABILITY IN FY 2016/17

➔ Cost effects resulting from the realignment programme FIT4GROWTH amounted to EUR 9.6 million in the financial year 2016/17 (previous year: EUR 31.2 m)

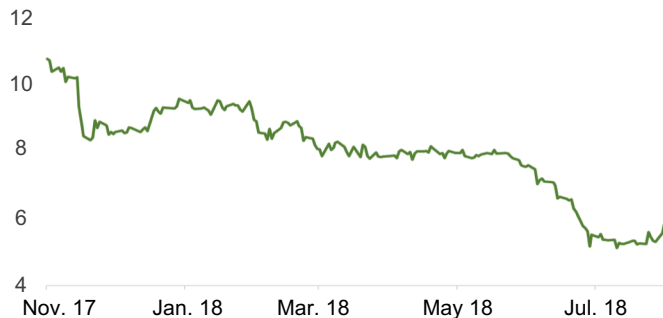
in EUR million	2016/17	2015/16
EBITDA reported	58.2	77.3
Costs relating to the realignment programme FIT4GROWTH	6.2	16.2
Profit of the Hall 30 sale	0	21.9
EBITDA adjusted	64.4	71.6
EBIT reported	10.3	13.8
Extraordinary costs as well as write-downs resulting from FIT4GROWTH	9,6	31.2
Profit of the Hall 30 sale	0	21.9
EBIT adjusted	19.9	23.1



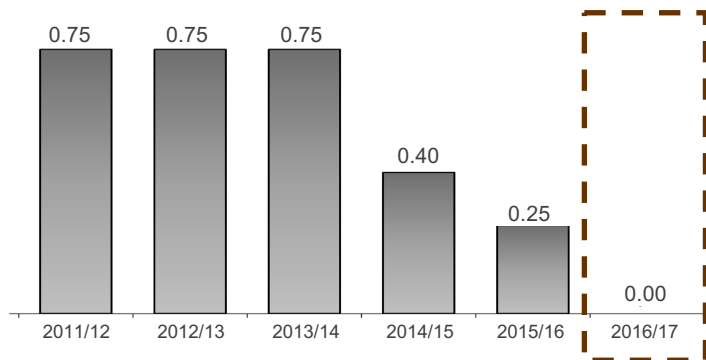
SEGMENT AND PRICE-POSITIONING



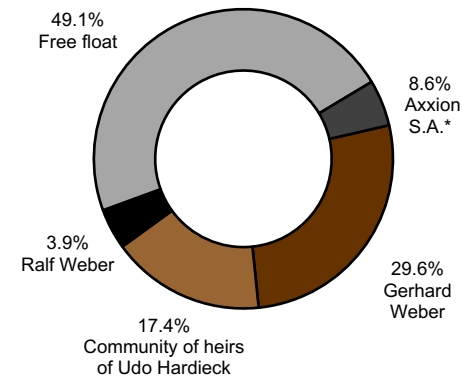
SHARE PERFORMANCE (in EUR)



DIVIDEND PAYMENTS



SHAREHOLDER STRUCTURE



* included in the free float

Commerzbank Sector Conference, Frankfurt	30. August 2018
Publication of the Quarterly Statement on the Third Quarter 2017/18	13 September 2018
Baader Investment Conference, Munich	25 September 2018
End of the Financial Year 2017/18	31 October 2018
DZ Bank Equity Conference, Frankfurt	20 November 2018

**To be always up-to-date, please visit our website
ir.gerryweber.com**

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THANK YOU!